

**Department of Personnel Administration
Memorandum**

TO: Personnel Management Liaisons (PML)

SUBJECT: Excluded and Exempt Pay Program	REFERENCE NUMBER: 2011-013
DATE ISSUED: 05/09/11	SUPERSEDES: 2010-028

This memorandum should be forwarded to:

**Personnel Officers
Employee Relations Officers**

FROM: Department of Personnel Administration
Labor Relations Division

CONTACT: Personnel Services Branch
(916) 323-3343
Fax: (916) 327-1886
Email: psb@dpa.ca.gov

RETIREMENT CONTRIBUTION

The Governor has issued Executive Order S-15-10 and signed legislation (Assembly Bill 1625) to increase employee retirement contribution an additional three percent for excluded and exempt employees, **except** excluded/exempt employees affiliated with Bargaining Units 5 and 8. The increase will also apply to new employees.

Effective November 2, 2010, the employee contribution rate will be as follows.

Retirement Categories	Increased Employee Retirement Contribution
Miscellaneous/Industrial - w/SSI	8% in excess of \$513/mo.
Miscellaneous/Industrial - No SSI	9% in excess of \$317/mo.
State Safety	9% in excess of \$317/mo.
Peace Officer	11% in excess of \$863/mo. (tied to Unit 6 PO/FF)
	11% in excess of \$513/mo. (tied to Unit 7 PO/FF)
Second Tier	0% for Second Tier

RETIREMENT FORMULA

The retirement formula and method for calculating final compensation for new excluded and exempt employees (except employees tied to Bargaining Units 5 and 8) with no prior State service will be as follows. "Prior State employment" includes any State service (such as part-time, seasonal, or temporary employment) that can be purchased as CalPERS service credit.

Employees that are currently in State Service and employees that return to State service following a break in service are not affected by the following new formulas.

Retirement Categories	New Employee Retirement Formulas
Miscellaneous/Industrial/ARP	2% at age 60 formula based on 3-year highest compensation
State Safety	2% at age 55 formula based on 3-year highest compensation (Safety)
Peace Officer/Firefighter	2.5% at age 55 formula based 3-year highest compensation (PO/FF)
Second Tier	1.25% at age 65 formula based on 3-year highest compensation

Payroll Processing and Retirement Codes

The State Controller's Office will be issuing a pay letter to provide additional instructions along with new retirement codes.

DPA is updating the Alternate Retirement Program (ARP) Eligibility Worksheet on DPA's web site (under HR Staff tab). The worksheet assists personnel staff in determining ARP eligibility and which ARP retirement code to apply.

Additional Retirement Information

If an employee transfers between an excluded/exempt position and a rank-and-file position, the retirement contribution may be different. Personnel staff can verify the accurate retirement contribution by reviewing the bargaining contracts located on DPA's web site.

FURLOUGH PROGRAM

The Temporary Furlough Program that began August 2010 ends November 1, 2010 for excluded and exempt employees.

PERSONAL LEAVE PROGRAM 2010 (PLP 2010)***Excluded Employees and Non-Statutory Exempt Employees (Except Employees Tied to Bargaining Units 5 and 8)***

Effective November 2, 2010, excluded and non-statutory exempt employees, including employees that were in departments previously excluded from the furlough program, will be subject to a 12-month personal leave program. DPA Rule 599.937.4 Mandatory Personal Leave – Excluded Employees was adopted by the Office of Administrative Law. <http://www.dpa.ca.gov/dpa-info/dpa-rules/599.937.4.htm>

Employees will receive PLP 2010 credits on the first day of each pay period for 12 consecutive pay periods November 2010 through October 2011 in the manner outlined below:

Full-Time Employees

Full-time employees shall have a reduction in pay equal to 4.62% and eight hours of leave will be credited to the employee's PLP 2010 leave balance.

Part-Time Employees

Part-time employees shall be subject to the same conditions as full-time employees, on a pro-rated basis. The pro-ration shall be determined based on the employee's time base consistent with the following chart:

<u>Time Base</u>	<u>PLP 2010 Credit in Hours</u>
1/10	1
1/8	1
1/5	2
1/4	2
3/10	3
3/8	3
2/5	4
1/2	4
3/5	5
5/8	5
7/10	6
3/4	6
4/5	7
7/8	7
9/10	8

Intermittent Employees

Intermittent employees PLP 2010 credit shall be prorated based upon the number of hours worked in the monthly pay period as stated in the chart below.

<u>Hours Worked During Pay Period</u>	<u>PLP 2010 Credit in Hours</u>
0 to 10.9	0
11 to 30.9	1
31 to 50.9	2
51 to 70.9	3
71 to 90.9	4
91 to 110.9	5
111 to 130.9	6
131 to 150.9	7
151 or over	8

ADDITIONAL PLP INFORMATION

PLP 2010 credits shall be requested and used by the employee in the same manner as vacation/annual leave and in accordance with departmental policies. Employees may elect to use PLP 2010 credits in lieu of sick leave. PLP 2010 credits shall have no cash value and may not be cashed out. Employees have until they separate from State service to use their PLP 2010 credits.

To allow more flexibility on the usage of PLP and Furlough, employees may use PLP or Furlough before any other leave type. However, this does not mean that they must use PLP within the pay period it is earned. Keep in mind that their PLP and Furlough credits must be used before they separate from State service.

Employees on NDI, ENDI, IDL, EIDL, or Worker's Compensation for the entire monthly pay period are excluded from the PLP 2010 for that pay period. Employees off for partial months shall receive PLP 2010 credits based on the intermittent chart above.

During the PLP 2010 period, excluded and exempt employees will not be subject to furloughs.

Employees newly hired on or after November 2, 2010 into an excluded classification while the PLP 2010 is in effect will be subject to this program for its duration.

Participation in the PLP 2010 will be based on the classification an employee moves to when transferring between classifications/BUs that have different PLP ending dates. An employee shall have no more than 12 months of PLP 2010 participation.

Example: If an excluded employee in an excluded classification transfers to a BU 12 classification on December 1, 2010, the employee shall continue to participate in the PLP 2010 until August 31, 2011.

Statutory Exempt Employees

Effective November 2, 2010, statutory exempt employees shall have their salary reduced by the equivalent of one day of pay per month during the period the PLP 2010 is in effect. Statutory exempt employees will not earn PLP leave credits.

HOLIDAYS

Lincoln's Birthday and Columbus Day are no longer paid State holidays consistent with GC 19853.

PROFESSIONAL DEVELOPMENT DAY (PDD)

The State shall provide to all employees two days per fiscal year for activities such as professional association activities, professional and/or personal development seminars, etc., to promote professional and/or personal growth and to enhance professional and/or personal goals. These activities are at the employee's expense and therefore the choice of activity is at the employee's discretion. Supervisors shall not request documentation for this time.

This time shall be requested and approved in the same manner as vacation/annual leave. PDD must be used within the fiscal year it is granted and not accumulated or cashed out. PDD must be used in whole day increments. PDD will be available for the 2010/2011 fiscal year as of November 2, 2010. PDD may be used before any other leave type. Also refer to [PML 2010-037](#) for additional PDD information.

SPECIAL SALARY ADJUSTMENT

Effective July 1, 2013, excluded and exempt classifications (except excluded Units 5 and 8) shall be adjusted by increasing the maximum step of the pay range by 3%. Employees at the old maximum salary range for a minimum of twelve qualifying pay periods shall receive a 3% increase. Employees at the old maximum salary rate for less than twelve qualifying pay periods shall receive a new salary anniversary date based on qualifying service. Qualifying service toward the twelve (12) qualifying pay periods shall be in accordance with DPA Rules 599.682(b) and 599.687. All other employees shall retain their salary and merit salary anniversary date (MSA).

Personnel staff with questions about the retirement changes should contact Desi Rodrigues at (916) 324-9400 or desirodrigues@dpa.ca.gov. For all other questions contact the Personnel Services Branch at the phone number or email address listed above.

/s/Julie Chapman

Julie Chapman
Chief Deputy Director of Policy